



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

January 25, 2019

The Honorable Tommy Benton
State Representative
State Capitol, Room 217
Atlanta, GA 30334

SUBJECT: State Auditor's Certification
House Bill (LC 43 1030) (Revised)

Dear Representative Benton:

This bill would amend retirement provisions for persons who first become a member of the Teachers Retirement System of Georgia on or after July 1, 2019. Specifically, this bill would:

- Change the definition of 'average final compensation' to be the highest average for five consecutive years. For current members, 'final average compensation' is based on the highest average for two consecutive years;
- Establish a maximum earnable compensation that can be used in the determination of retirement benefits;
- Set a range for required employee contributions at 6-10 percent. The range for current members is 5-6 percent;
- Eliminate the opportunity for members to apply unused sick leave towards service credit;
- Change the definition of 'normal retirement age' to only be 60 years of age provided the member has at least 10 years of service;
- Eliminate the right for teachers to retire in advance of the start of the school year when they achieve their 30 years of service by December 31st of that school year; and
- Modify provisions for calculating retirement benefits.

This is to certify that this bill is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law. However, if enacted, this bill could increase the administrative costs of the System since

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information systems would have to be reconfigured to allow for the collection of varying employee contributions between current and future members. Furthermore, member employers could also experience increases in administrative expenses to reconfigure payroll systems to manage varying employee contribution rates.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin", with a long horizontal flourish extending to the right.

Greg S. Griffin
State Auditor

GSG/cs



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**270 Washington St., S.W., Suite 1-156
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**Greg S. Griffin
STATE AUDITOR
(404) 656-2174**

October 23, 2018

The Honorable Tommy Benton
State Representative
State Capitol, Room 217
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification
House Bill (LC 43 1030)

Dear Representative Benton:

This bill would amend retirement provisions for persons who first become a member of the Teachers Retirement System of Georgia on or after July 1, 2019. Specifically, this bill would:

- Change the definition of 'average final compensation' to be the highest average for five consecutive years. For current members, 'final average compensation' is based on the highest average for two consecutive years;
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- Eliminate the right for teachers to retire in advance of the start of the school year when they achieve their 30 years of service by December 31st of that school year; and
- Modify provisions for calculating retirement benefits.

This is to certify that this bill is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,

Greg S. Griffin
State Auditor

GSG/cs